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The monthly revenue report for January 2020 state tax collections was released today.

Results

- General Fund revenues for January totaled \$1,587.6 million, which is \$56.9 million (3.7%) above estimate based on the December 20, 2019 revised revenue forecast and \$95.8 million (6.4%) above revenue in January 2019.

Overall, higher than expected monthly collections from sales and use, corporate and gaming taxes combined to drive General Fund revenues above current year estimates and prior year actuals both on a monthly and fiscal year-to-date basis.

Significant monthly fluctuations are expected and revenues are better interpreted within the context of the longer term trend for fiscal year 2020 as April and June are by far the months with the most revenue activity.

Note: The monthly revenue estimates are based on the December 20, 2019 revised revenue forecast and include the estimated impact of legislative actions taken by the General Assembly in the 2019 legislative session.

- Sales tax collections totaled \$821.7 million for January, which is \$37.2 million (4.7%) above the monthly estimate and \$65.6 million (8.7%) above revenue in January 2019. While it is difficult to identify the specific impact of the state enforcement of the recent changes in the taxation of remote sales on the fiscal year-to-date tax collections, revenue collections attributable to compliance from marketplace facilitators contribute largely to the growth relative to the monthly estimate and prior year actuals.
- Individual income tax collections totaled \$649.2 million for January, which is \$27.5 million (4.1%) below the monthly estimate and \$8.1 million (1.2%) below revenue in January 2019. Lower than expected withholding tax collections as well as a one-time transfer from individual income tax to corporate tax combined to drive the difference relative to the monthly estimate and prior year actuals. Monthly fluctuations in individual income tax collections are expected due to the nature of the timing of income, tax payments and more. As April will be the month with the most individual income tax collections, comparisons relative to current year estimates and prior year actuals will likely be better interpreted in the upcoming months.
- Corporate tax collections totaled \$27.0 million for January, which is \$46.5 million (238.3%) above the monthly estimate and \$32.9 million (554.0%) above revenue

in January 2019. Notably, corporate refunds and a one-time transfer from individual income tax to corporate tax drive the difference relative to the monthly estimate and prior year actuals. Corporate refunds have come in below current year estimates and below prior year actuals so far this fiscal year.

- Riverboat wagering collections totaled \$31.0 million for January, which is \$4.5 million (16.8%) above the monthly estimate and \$2.6 million (9.3%) above revenue in January 2019.
- Racino wagering collections totaled \$11.8 million for January, which is \$0.6 million (5.6%) above the monthly estimate and \$2.2 million (22.5%) above revenue in January 2019.

Commentary

Year-to-date General Fund collections totaled \$9,380.2 million, which is \$81.9 million (0.9%) above the December 2019 revised revenue forecast and \$368.4 million (4.1%) above collections through the same period in the prior fiscal year.

Year-to-date sales tax collections totaled \$4,920.4 million, which is \$47.4 million (1.0%) above the December 2019 revised revenue forecast and \$198.9 million (4.2%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$3,383.8 million, which is \$25.8 million (0.8%) below the December 2019 revised revenue forecast but \$59.3 million (1.8%) above collections through the same period in the prior fiscal year.

Year-to-date corporate tax collections totaled \$443.3 million, which is \$55.9 million (14.4%) above the December 2019 revised revenue forecast and \$69.7 million (18.6%) above collections through the same period in the prior fiscal year.